

**BYLAWS
OF
CHESTNUT GROVE MASTER OWNERS ASSOCIATION**

**ARTICLE I
NAME AND LOCATION**

1.1. Name. The name of the non-profit corporation referred to in these Bylaws as the "Association," is "Chestnut Grove Master Owners Association". The initial office of the Association shall be located at 100 Ridgmont Drive, Butler, Pennsylvania 16001, but meetings of Members and Executive Board may be held at other places within the Commonwealth of Pennsylvania that may be designated by the Executive Board.

**ARTICLE II
DEFINITIONS**

2.1. Association. "Association" shall mean and refer to the Chestnut Grove Master Owners Association, a Pennsylvania not-for-profit corporation, formed solely to own and operate the Common Facilities and Common Spaces under the Declaration hereinafter identified.

2.2. Common Elements and Common Facilities. "Common Elements or Common Facilities" shall mean all real and personal property owned by the Association for the benefit of the Owners.

2.3. Declaration. "Declaration" shall mean and refer to the Master Declaration of Covenants, Conditions, Reservations and Restrictions for Chestnut Grove Planned Community, Township of Franklin, County of Butler, Commonwealth of Pennsylvania, by E&E Chestnut Developers LLC, dated July 21, 2005, and recorded on August 1, 2005 at Instrument #200508010020570 as amended by the First Amendment to Master Declaration of Covenants, Conditions, Reservations and Restrictions for Chestnut Grove Planned Community, Township of Franklin, County of Butler, Commonwealth of Pennsylvania, dated July 20, 2012, and recorded on July 23, 2012 at Instrument #201207230020912.

2.4. Unit. shall mean any Unit created in a condominium in the Planned Community.

2.5. Unit Owner. "Unit Owner" or "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Unit that is a part of the Real Estate, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

2.6. Member. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

2.7. Lot. means a lot as described in the plats or plans.

ARTICLE III

MEETINGS OF MEMBERS

3.1. Annual Meeting. The annual meeting of the Members shall be on the First day of September unless that falls on a holiday, in which event it shall be on the following Monday, or as otherwise fixed by the Executive Board.

3.2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Executive Board, or on written request of the Members who are entitled to vote one-fourth (1/4) of all the votes of the membership.

3.3. Notice of Meeting. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of the notice, by United States mail, postage prepaid, at least fifteen days before the meeting to each Member entitled to vote at the meeting, addressed to the Member's address last appearing on the books of the Association, or supplied by the Member to the Association for the purpose of notice. The notice shall specify the place, day, and hour of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws; any budget or assessment changes; and any proposal to remove a director or officer.

3.4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, ten percent (10%) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Declaration or these Bylaws. If, however, a quorum shall not be present or represented at any meeting, the Members entitled to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented.

3.5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease on conveyance by the Member of his or her Unit. A Member may not revoke a proxy except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date unless it specifies a shorter term.

3.6. Voting. Voting at all meetings of the Association shall be on a per Unit basis, with each Unit Owner entitled to one (1) vote.

(a) Multiple Unit Owners. Where the ownership of a Unit is in more than one Unit Owner, the Unit Owner who shall be entitled to cast the vote of such Unit shall be the Unit Owner named in a certificate executed by all the Owners of such Unit and filed with the Secretary (the "Designated Unit Owner"). Such certificate shall be valid unless revoked by a subsequent certificate similarly executed. In the absence of such named Designated Unit Owner from the meeting, the Unit Owner who shall be entitled to cast the vote of such Unit shall be the Unit Owner owning such Unit who is present. If the Designated Owner is not present, and more than one other Owner or Owners owning such Unit is present, then such vote shall be cast only in accordance with their unanimous agreement. There shall be deemed to be unanimous agreement if any one of the multiple owners casts the votes allocated to that Unit without protest

being made promptly to the person presiding over the meeting by any of the other Owners of the Unit. Any certificate executed by all Unit Owners shall be valid until revoked by a subsequent certificate similarly executed. Except where execution by Unit Owners in the same manner as a deed is required, and subject to the Declaration and these Bylaws, wherever the approval or disapproval of a Unit Owner is required by this subpart, the Declaration or the Bylaws, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such Unit at any meeting or the Association.

(b) Ownership by an Entity other than an Individual. If the Unit Owner is a corporation, joint venture, partnership or unincorporated association, the natural person who shall be entitled to cast the vote for such Unit shall be the person named in a certificate executed by such entity pursuant to its governing documents. If the Unit Owner of is a trust, the trustee or trustees shall be deemed to be the Unit Owner for the voting purposes, however the Trustees shall designate one Trustee to cast the vote of such Unit. The natural person who shall be entitled to cast the vote of such Unit shall be the person named in a certificate executed by the owners of such Unit and filed with the secretary or, in the absence of such named person from the meeting of the failure to execute and file such a certificate, the person who shall be entitled to cast the vote of such Unit shall be the person owning such Unit who is present. If more than one of the multiple Owners is present, the votes allocated to that Unit may be cast only in accordance with their unanimous agreement unless the declaration expressly provides otherwise. There shall be deemed to be unanimous agreement if any one of the multiple Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the Unit. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Except where execution by owners of a Unit in the same manner as a deed is required, and subject to the provisions of the Declaration and these Bylaws, wherever the approval or disapproval of a Unit Owner is required by this subpart, the Declaration or the Bylaws, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such Unit at any meeting of the Association.

ARTICLE IV
SELECTION AND TERM OF OFFICE
OF EXECUTIVE BOARD

4.1. Number. The affairs of this Association shall be managed by an Executive Board. The Executive Board shall consist of five (5) members.

4.2. Term and Vacancies. The Executive Board shall be elected for a term of one year. Each director shall take office upon election and shall hold office until such director's successor has been elected or until such director's earlier death, resignation or removal.

4.3. Removal. Any director may be removed from the Executive Board, with or without cause, by a two-thirds vote of all Members present and entitled to vote at any meeting of Members at which a quorum is present. In the event of death, resignation, or removal of a director, his or her successor shall be selected by the remaining members of the Executive Board and shall serve for the unexpired term of his or her predecessor.

4.4. Compensation. No director shall receive compensation for any service he or she may render to the Association; however, any director may be reimbursed for actual expenses incurred in the performance of his or her duties.

4.5. Action Taken Without Meeting. The Executive Board shall have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining the written approval of all of the Members of the Executive Board. Any action so approved shall have the same effect as though taken at a meeting of the Executive Board.

ARTICLE V NOMINATION AND ELECTION OF EXECUTIVE BOARD

5.1. Nomination. Nominations for election to the Executive Board shall be made from the floor at the annual meeting of the Members.

5.2. Election. Election to the Executive Board shall be by secret written ballot. At the election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI MEETINGS OF EXECUTIVE BOARD

6.1. Regular Meetings. Regular meetings of the Executive Board shall be held at least annually, without notice, at the place and hour that may be fixed from time to time by resolution of the Executive Board. Should the meeting fall on a legal holiday, then that meeting shall be held at the same time on the next day that is not a legal holiday.

6.2. Special Meetings. Special meetings of the Executive Board shall be held when called by the president of the Association, or by any two Members of the Executive Board, after not less than three days' notice to each director.

6.3. Quorum. A majority of the number of Executive Board shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Executive Board present at a duly held meeting at which a quorum is present shall be regarded as the act of the Executive Board.

6.4. Conduct of Meetings. Meetings may be held in person, by conference call or virtual meeting.

ARTICLE VII POWERS AND DUTIES OF BOARD OF EXECUTIVE BOARD

7.1. Powers. The Executive Board shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Elements, and the personal conduct of the Members and their guests on the Common Elements, and establish penalties for the infraction of the rules and regulations;

(b) Suspend the voting rights and right to use Common Elements of a Member during any period in which the Member shall be in default in the payment of any assessment levied by the Association; these rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;

(c) Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws or the Declaration;

(d) Declare the office of a member of the Executive Board to be vacant in the event the member shall be absent from three (3) consecutive regular meetings of the Executive Board; and

(e) Employ a manager, an independent contractor, or other employees as they deem necessary, and prescribe their duties.

7.2. Duties. It shall be the duty of the Executive Board to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and present a statement of its acts and corporate affairs to the Members at the annual meeting of the Members, or at any special meeting when the statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;

(b) Supervise all officers, agents, and employees of this Association, and see that their duties are properly performed;

(c) As more fully provided in the Declaration:

(1) Fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period;

(2) Send written notice of each assessment to every Unit Owner subject to assessment at least thirty (30) days in advance of each annual assessment period; and

(3) Foreclose the lien against any Unit for which assessments are not paid within thirty (30) days after the due date or bring an action at law against the Unit Owner personally obligated to pay the assessments;

(d) Issue, or cause an appropriate officer to issue, on demand by any person, a certificate setting forth whether or not any assessment has been paid; a reasonable charge may be made by the Executive Board for the issuance of these certificates; if a certificate states an assessment has been paid, the certificate shall be conclusive evidence of the payment;

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) Cause the Common Elements to be maintained.

ARTICLE VIII OFFICERS AND THEIR DUTIES

8.1. Officers. The officers of the Association shall be a president, a vice-president, who shall at all times be members of the Executive Board, a secretary, and a treasurer, and other officers as the Executive Board may, from time to time, create by resolution.

8.2. Election of Officers. The appointment of officers shall take place at the first meeting of the Executive Board following each annual meeting of the Members.

8.3. Term. The officers of this Association shall be elected annually by the Executive Board and each shall hold office for one year unless he or she shall sooner resign, or shall be removed, or otherwise become disqualified to serve.

8.4. Special Appointments. The Executive Board may elect other officers as the affairs of the Association may require, each of whom shall hold office for the period, have the authority, and perform the duties that the Executive Board may, from time to time, determine.

8.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Executive Board. Any officer may resign at any time by giving written notice to the Executive Board, the president, or the secretary. Resignation of an officer shall take effect on the date of receipt of the notice or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective.

8.6. Vacancies. A vacancy in any office may be filled by appointment by the Executive Board. The officer appointed to fill a vacancy shall serve for the remainder of the term of the officer he or she replaces.

8.7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Paragraph 8.4 of this Article.

8.8. Duties. The duties of the officers are as follows:

(1) The president shall preside at all meetings of the Executive Board; see that orders and resolutions of the Executive Board are carried out; sign all leases, mortgages, deeds,

and other written instruments; prepare, execute, certify and record amendments to the Declaration on behalf of the Association; and sign all checks and promissory notes.

(2) The vice-president shall act in the place and stead of the president in the event of his or her absence, inability, or refusal to act, and shall exercise and discharge all other duties as may be required of him or her by the Executive Board.

(3) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Executive Board and of the Members; serve notice of meetings of the Executive Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and perform all other duties as required by the Executive Board.

(4) The treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse the funds as directed by resolution of the Executive Board; sign all checks and promissory notes of the Association; keep proper books of account; and prepare an annual budget and annual financial statements consisting of a balance sheet and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members within thirty days of completion.

(5) Notwithstanding the foregoing, if there is a management company, the management company may sign checks drawn on the Association funds, deposit funds and use electronic banking functions with any depository bank that has been authorized by the Executive Board.

ARTICLE IX COMMITTEES

9.1. Committees. The Executive Board may appoint such committees as it may deem appropriate in carrying out the purposes of the Association.

ARTICLE X COMMON EXPENSES; BUDGETS

10.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Executive Board; provided, however, that the first fiscal year shall begin upon the recordation of the Declaration.

10.2 Preparation and Approval of Budget.

(a) On or before the first (1st) day of November each year the Executive Board shall adopt an annual budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements which are the responsibility of the Association to maintain, repair and replace, and the cost of wages, material, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Declaration, these Bylaws or a resolution of the Association and which will be required during the ensuing

fiscal year for the administration, operation, maintenance and repair of the Real Estate and the rendering to the Unit Owners of all related services. Such budget shall also include such reasonable amounts, as the Executive Board considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements.

(b) On or before the fifth (5th) day of November the Executive Board shall make the budget available for inspection at the Association's office and the Community Building and shall send to each Unit Owner a copy of the budget in a reasonably itemized form that sets forth the amount of the Common Expenses. Such budget shall constitute the basis for determining each Unit Owners' assessments for Common Expenses of the Association and shall automatically take effect at the beginning of the fiscal year for which it is adopted, subject to Section 10.9 below.

(c) The Executive Board shall make reasonable efforts to meet the deadlines set forth above, but compliance with such deadlines shall not be a condition precedent to the effectiveness of any budget.

10.3. Assessment and Payment of Common Expenses.

(a) Common Expenses. The Executive Board shall calculate the monthly assessments for Common Expenses against each Unit by dividing (i) the total amount of the estimated funds required for the operation of the Real Estate set forth in the budget adopted by the Executive Board for the fiscal year in question, after deducting income expected to be received from sources other than Common Expense assessments and the operation of the Common Elements to which the Common Expenses pertain, by (ii) the number of Equivalent Dwellings Units as determined in accordance with Article V of the Master Declaration, and dividing the resultant number by (iii) twelve (12). Such assessments shall be deemed to have been adopted and assessed on a monthly basis and not on an annual basis payable in monthly installments, shall be due and payable on the first day of each month and shall be a lien against each Unit Owner's Unit as provided in the Declaration. Within ninety (90) days after the end of each fiscal year, the Executive Board shall prepare and deliver to each Unit Owner an itemized account of the Common Expenses and funds received during such fiscal year less expenditures actually incurred and sums paid into reserves. Any net shortage with regard to Common Expenses, after application of such reserves as the Executive Board may determine, shall be assessed promptly against the Unit Owners in accordance with their Percentage Interests and shall be payable in one or more monthly assessments, as the Executive Board may determine.

(b) Supplemental Assessments. If the Executive Board determines that the estimate of total charges for the current fiscal year is, or will become, inadequate to meet all Common Expenses for any reason, it shall immediately determine the approximate amount of the inadequacy. Subject to the provisions of Section 10.4, the Executive Board shall have the authority to levy, at any time by a majority vote, a Supplemental Assessment, reflecting revisions of the total Common Expense Assessment. Written notice of any change in the amount of Supplemental Assessments levied by the Association through the Executive Board shall be given to all Unit Owners not less than thirty (30) days prior to the effective date of such Supplemental Assessment.

(c) Reserves. The Executive Board may build up and maintain reasonable reserves for working capital, contingencies and replacement. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserves. If the reserves are deemed to be inadequate for any reason, including non-payment of any Unit Owner's assessments, the Executive Board may at any time levy further assessments for Common Expenses which shall be assessed against the Unit Owners according to their respective Percentage Interests with regard to Common Expenses and shall be payable in one or more monthly assessment as the Executive Board may determine. Payments for said purposes may be classified as capital contributions as the discretion of the Executive Board.

10.4 Further Assessments. The Executive Board shall serve notice on all Unit Owners of any further assessments pursuant to Section 10.3 (a), (b) or (c) or otherwise as permitted or required by the Declaration and these Bylaws, including, but not limited to, the right to levy fines, by a statement in writing giving the amount and reasons therefore, and such further assessments shall, unless otherwise specified in the notice, become effective with the next monthly assessment if pursuant to Section 10.3 which is due more than thirty (30) days after the delivery of such notice of further assessments. All Unit Owners so assessed shall be obligated to pay the amount of such monthly assessments. Such assessments shall be a lien as of the effective date as set forth in the preceding Sections.

10.5 Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Executive Board to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay his allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each monthly assessment at the rate established for the previous fiscal year until the new annual or adjusted budget shall have been adopted.

10.6 Accounts. All sums collected by the Executive Board with respect to assessments against the Unit Owners or from any other source may be commingled into a single fund. Reserves shall be maintained in a separate fund, although different types of reserves may be commingled in one fund. All books and records of the Association shall be kept in accordance with good and accepted accounting practices, and the same shall be reviewed and a compilation prepared at least one each year by independent accountant retained by the Executive Board.

10.7 Payment of Common Expenses. Each Unit Owner shall pay the Common Expenses assessed by the Executive Board pursuant to the provisions of this Article X. No Unit Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use of enjoyment of any of the Common Elements or by abandonment of his Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to the date of recordation of a conveyance by him in fee of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of such recordation, without prejudice to the purchaser's right to recover from the selling Unit Owner amounts paid by the purchaser thereof; provided, however, that any such

purchaser shall be entitled to a statement setting forth the amount of the unpaid assessments against the selling Unit Owner within five (5) days following a written request therefore to the Executive Board and such a purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth; and, provided further that, each permitted mortgagee who comes into possession of a Unit by virtue of foreclosure or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of any claims for unpaid assessments or charges against such Unit which accrue prior to the time such holder comes into possession thereof, except for claims for a pro-rata share of such assessments or charges resulting from a pro-rata reallocation of such assessments or charges to all Units including the mortgaged Unit.

10.8 Collection of Assessments. The Executive Board shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days from the due date for payment thereof. Any assessment not paid within five days after its due date shall accrue a late charge in the amount of four percent (4%) of the overdue assessment in addition to interest at the rate of eight (8%) percent per annum (or such other rate as may be determined by the Executive Board) on the amount of the unpaid assessment through date of payment. Sums assessed by the Executive Board will bear interest at a rate to be determined by the Executive Board (but not more than fifteen (15%) percent per annum) from the thirtieth (30th) day following the due date for payment. If any assessments are past due more than thirty (30) days, the executive Board may accelerate all of the assessment payments due from such Unit Owner for the fiscal year, and the total amount shall become immediately due and payable.

10.9 Statement of Common Expenses. Upon request, the Executive Board shall promptly provide any Unit Owner, contract purchaser or proposed mortgagee with a written statement of all unpaid assessments for Common Expenses due. Further, the Executive Board may charge a reasonable fee for the preparation of such statement to cover the cost of its preparation.

10.10 Negligence. If any Common Expense is caused by the negligence or misconduct of any Unit Owner, the Association may assess that expense exclusively against his Unit.

ARTICLE XI BOOKS AND RECORDS

11.1. Books and Records. The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII AMENDMENTS

12.1. Meetings. After termination of the period of Declarant control in accordance with Article XI of the Declaration, these Bylaws may be amended at a regular or special meeting of the Members by a vote of a majority of a quorum of Members present in person or by proxy.

12.2. Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.